

EXHIBIT M

00158

1 costs; (3), fee schedules; (4), global rates; and

2 (5), previous Medicare rates.

3 Do you see that?

4 A. Yes, I do.

5 Q. And this is a report that you wrote;

6 correct?

7 A. Yes.

8 Q. What did you mean when you used the word

9 average wholesale price in that sentence?

10 A. That's just the published wholesale

11 price, average wholesale price.

12 Q. And published in publications such as

13 Red Book?

14 A. Yes.

15 Q. When you use the term average wholesale

16 price in your work at OIG, did it mean to refer to

17 the price published?

18 A. As far as I recall.

19 Q. You did not -- when you used the term

20 average wholesale price or AWP, you did not use it

21 to refer to some actual calculated average of

22 provider acquisition cost, did you?

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1 MS. POLLACK: Objection to form.

2 MR. HAVILAND: Objection to form.

3 MR. NEAL: Objection to form. You can
4 answer.

5 THE WITNESS: I don't remember.

6 BY MR.TORBORG:

7 Q. But you do remember using it in
8 reference to published -- prices published in
9 publications such as Red Book?

10 A. Yes.

11 Q. Do you recall if there were AWP's
12 published for the premixed solutions or for the
13 solutions used in parenteral nutrition?

14 A. I do not remember.

15 Q. Do you recall having discussions with
16 Medicaid agencies about how they reimbursed for
17 parenteral nutrition?

18 A. I don't remember.

19 Q. But you likely would have had those
20 conversations?

21 MR. NEAL: I'm going to object to the
22 form. You can answer.

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1 Q. What did you understand the meaning of
2 this sentence?

3 MR. NEAL: I object to the form.

4 BY MR.TORBORG:

5 Q. "Will begin to reimburse covered drugs
6 at 95 percent of the average wholesale price"?

7 MR. NEAL: I will object to the form.

8 You can answer.

9 THE WITNESS: They are changing their
10 reimbursement methodology.

11 BY MR.TORBORG:

12 Q. And what were they changing it to?

13 A. Reimbursing drugs at 95 percent of the
14 AWP.

15 Q. And what was the AWP?

16 A. The average wholesale price.

17 Q. What was the average wholesale price?

18 A. Of Part B drugs?

19 Q. Yes.

20 A. It varied.

21 Q. Generally speaking, did it have
22 reference to the prices published in Red Book and

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1 other publications?

2 A. Yes.

3 Q. That's how you read this sentence here

4 today?

5 A. Yes.

6 Q. What is the basis for your -- strike

7 that.

8 Later on, the next sentence says,

9 "Currently, Medicare carriers may determine that

10 the amounts that Medicare will pay for these drugs

11 based on either the lower of the estimated

12 acquisition cost, EAC, or the National A, Average,

13 W, Wholesale, P, Price, (AWP)."

14 As used in this sentence, what do you

15 understand the term National Wholesale Price to

16 mean?

17 A. The same that it meant in the previous

18 sentence.

19 Q. Meaning the prices that were reflected

20 for drugs in Red Book and other price

21 publications?

22 A. Yes.